

(B) by striking the period at the end of paragraph (6) and inserting “, and”, and

(C) by adding at the end the following new paragraph:

“(7) the national security technology credit.”.

(2) Section 49(a)(1)(C) of such Code is amended—

(A) by striking “and” at the end of clause (iv),

(B) by striking the period at the end of clause (v) and inserting “, and”, and

(C) by adding at the end the following new clause:

“(vi) the basis of any qualified property taken into account under section 48D(c).”.

(3) The table of sections for subpart E of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 48C the following new item:

“Sec. 48D. Credit for national security technology.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the first publication of the list required under section 48D(e) of the Internal Revenue Code of 1986, as added by this Act.

#### **SEC. 1202A. EXCLUSION FOR GAIN FROM INVESTMENTS IN NATIONAL SECURITY TECHNOLOGY.**

(a) IN GENERAL.—Part I of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

#### **“SEC. 1202A. EXCLUSION FOR GAIN FROM QUALIFIED NATIONAL SECURITY TECHNOLOGY STOCK.**

“(a) EXCLUSION.—In the case of a taxpayer other than a corporation, gross income shall not include any gain from the sale or exchange of qualified national security technology stock held for more than 5 years.

“(b) QUALIFIED NATIONAL SECURITY TECHNOLOGY STOCK.—For purposes of this section—

“(1) IN GENERAL.—Except as otherwise provided in this section, the term ‘qualified national security technology stock’ means any stock in a C corporation which is originally issued after the date of the enactment of the United States Innovation and Competition Act if—

“(A) as of the date of issuance, such corporation is a qualified corporation, and

“(B) except as provided in subsections (e) and (g), such stock is acquired by the taxpayer at its original issue (directly or through an underwriter)—

“(i) in exchange for money or other property (not including stock), or

“(ii) as compensation for services provided to such corporation (other than services performed as an underwriter of such stock).

“(2) ACTIVE BUSINESS REQUIREMENT; ETC.—Stock in a corporation shall not be treated as qualified national security technology stock unless, during substantially all of the taxpayer’s holding period for such stock, such corporation meets the active business requirements of subsection (d) and such corporation is a C corporation.

“(3) CERTAIN PURCHASES BY CORPORATION OF ITS OWN STOCK.—

“(A) REDEMPTIONS FROM TAXPAYER OR RELATED PERSON.—Stock acquired by the taxpayer shall not be treated as qualified national security technology stock if, at any time during the 4-year period beginning on the date 2 years before the issuance of such stock, the corporation issuing such stock purchased (directly or indirectly) any of its stock from the taxpayer or from a person related (within the meaning of section 267(b) or 707(b)) to the taxpayer.

“(B) SIGNIFICANT REDEMPTIONS.—Stock issued by a corporation shall not be treated

as qualified national security technology stock if, during the 2-year period beginning on the date 1 year before the issuance of such stock, such corporation made 1 or more purchases of its stock with an aggregate value (as of the time of the respective purchases) exceeding 5 percent of the aggregate value of all of its stock as of the beginning of such 2-year period.

“(C) TREATMENT OF CERTAIN TRANSACTIONS.—If any transaction is treated under section 304(a) as a distribution in redemption of the stock of any corporation, for purposes of subparagraphs (A) and (B), such corporation shall be treated as purchasing an amount of its stock equal to the amount treated as such a distribution under section 304(a).

“(c) QUALIFIED CORPORATION.—For purposes of this section—

“(1) IN GENERAL.—The term ‘qualified corporation’ means any domestic corporation which is a C corporation if substantially all of the activities of such corporation are to design or manufacture qualified national security technology (as defined in section 48D(c)(2)).

“(2) AGGREGATION RULES.—

“(A) IN GENERAL.—All corporations which are members of the same parent-subsidiary controlled group shall be treated as 1 corporation for purposes of this subsection.

“(B) PARENT-SUBSIDIARY CONTROLLED GROUP.—For purposes of subparagraph (A), the term ‘parent-subsidiary controlled group’ means any controlled group of corporations as defined in section 1563(a)(1), except that—

“(i) ‘more than 50 percent’ shall be substituted for ‘at least 80 percent’ each place it appears in section 1563(a)(1), and

“(ii) section 1563(a)(4) shall not apply.

“(d) ACTIVE BUSINESS REQUIREMENT.—

“(1) IN GENERAL.—For purposes of subsection (b)(2), the requirements of this subsection are met by a corporation for any period if during such period—

“(A) at least 80 percent (by value) of the assets of such corporation are used by such corporation in the active conduct of 1 or more qualified trades or businesses involving the design or manufacture of qualified national security technology (as defined in section 48D(c)(2)), and

“(B) such corporation is an eligible corporation.

“(2) SPECIAL RULE FOR CERTAIN ACTIVITIES.—For purposes of paragraph (1), if, in connection with any future qualified trade or business, a corporation is engaged in—

“(A) start-up activities described in section 195(c)(1)(A),

“(B) activities resulting in the payment or incurring of expenditures which may be treated as research and experimental expenditures under section 174, or

“(C) activities with respect to in-house research expenses described in section 41(b)(4), assets used in such activities shall be treated as used in the active conduct of a qualified trade or business. Any determination under this paragraph shall be made without regard to whether a corporation has any gross income from such activities at the time of the determination.

“(3) QUALIFIED TRADE OR BUSINESS.—For purposes of this subsection, the term ‘qualified trade or business’ means any trade or business other than any banking, insurance, financing, leasing, investing, or similar business.

“(4) ELIGIBLE CORPORATION.—For purposes of this subsection, the term ‘eligible corporation’ means any domestic corporation.

“(5) STOCK IN OTHER CORPORATIONS.—

“(A) LOOK-THRU IN CASE OF SUBSIDIARIES.—For purposes of this subsection, stock and

debt in any subsidiary corporation shall be disregarded and the parent corporation shall be deemed to own its ratable share of the subsidiary’s assets, and to conduct its ratable share of the subsidiary’s activities.

“(B) PORTFOLIO STOCK OR SECURITIES.—A corporation shall be treated as failing to meet the requirements of paragraph (1) for any period during which more than 10 percent of the value of its assets (in excess of liabilities) consists of stock or securities in other corporations which are not subsidiaries of such corporation (other than assets described in paragraph (6)).

“(C) SUBSIDIARY.—For purposes of this paragraph, a corporation shall be considered a subsidiary if the parent owns more than 50 percent of the combined voting power of all classes of stock entitled to vote, or more than 50 percent in value of all outstanding stock, of such corporation.

“(6) WORKING CAPITAL.—For purposes of paragraph (1)(A), any assets which—

“(A) are held as a part of the reasonably required working capital needs of a qualified trade or business of the corporation, or

“(B) are held for investment and are reasonably expected to be used within 2 years to finance research and experimentation in a qualified trade or business or increases in working capital needs of a qualified trade or business,

shall be treated as used in the active conduct of a qualified trade or business. For periods after the corporation has been in existence for at least 2 years, in no event may more than 50 percent of the assets of the corporation qualify as used in the active conduct of a qualified trade or business by reason of this paragraph.

“(7) MAXIMUM REAL ESTATE HOLDINGS.—A corporation shall not be treated as meeting the requirements of paragraph (1) for any period during which more than 10 percent of the total value of its assets consists of real property which is not used in the active conduct of a qualified trade or business. For purposes of the preceding sentence, the ownership of, dealing in, or renting of real property shall not be treated as the active conduct of a qualified trade or business.

“(8) COMPUTER SOFTWARE ROYALTIES.—For purposes of paragraph (1), rights to computer software which produces active business computer software royalties (within the meaning of section 543(d)(1)) shall be treated as an asset used in the active conduct of a trade or business.

“(e) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subsections (f), (g), (h), (i), and (j) of section 1202 shall apply for purposes of this section.

“(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be appropriate to carry out the purposes of this section, including regulations to prevent the avoidance of the purposes of this section.”.

(b) CLERICAL AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 1202A. Exclusion for gain from qualified national security technology stock.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to stock acquired after the date of the enactment of this Act.

**SA 1619.** Mr. TUBERVILLE submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish

a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 1410, strike line 1, and all that follows through page 1412, line 10, and insert the following:

(b) **RESTRICTIONS OF CONFUCIUS INSTITUTES.**—An institution of higher education that maintains a contract or agreement between the institution and a Confucius Institute shall not be eligible to receive any Federal funds, including funds provided under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq.).

**SA 1620.** Ms. ERNST submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V of division B, insert the following:

**SEC. 25 . BIOFUEL RESEARCH.**

The Director shall ensure that any study of electric vehicles or renewable fuels funded by the Foundation includes research on all biofuels.

**SA 1621.** Mr. JOHNSON (for himself and Mr. BRAUN) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 2614 and insert the following:

**SEC. 2614. COMPETITIVENESS WITHIN THE HUMAN LANDING SYSTEM PROGRAM.**

(a) **SENSE OF CONGRESS.**—It is the sense of Congress that—

(1) advances in space technology and space exploration capabilities ensure the long-term technological preeminence, economic competitiveness, STEM workforce development, and national security of the United States;

(2) the development of technologies that enable human exploration of the lunar surface and other celestial bodies is critical to the space industrial base of the United States;

(3) commercial entities in the United States have made significant investment and progress toward the development of human-class lunar landers;

(4) NASA developed the Artemis program—

(A) to fulfill the goal of landing United States astronauts, including the first woman and the next man, on the Moon; and

(B) to collaborate with commercial and international partners to establish sustainable lunar exploration by 2028; and

(5) in carrying out the Artemis program, the Administrator should ensure that the entire Artemis program is inclusive and representative of all people of the United States, including women and minorities.

(b) **STATEMENT OF POLICY.**—It shall be the policy of the United States—

(1) to bolster the domestic space technology industrial base, using existing tools and authorities, particularly in areas central to competition between the United States and the People's Republic of China; and

(2) to mitigate threats and minimize challenges to the superiority of the United States in space technology, including lunar infrastructure and lander capabilities.

(c) **HUMAN LANDING SYSTEM PROGRAM.**—

(1) **IN GENERAL.**—In carrying out the human landing system program, the Administrator shall, to the extent practicable—

(A) encourage reusability and sustainability of systems developed; and

(B) offer existing capabilities and assets of NASA centers to support such partnerships.

(2) **AUTHORIZATION OF APPROPRIATIONS.**—In addition to amounts otherwise appropriated for the Artemis program, for fiscal year 2021, there is authorized to be appropriated \$2,510,000,000 to NASA to carry out the human landing system program.

(3) **SAVINGS.**—The Administrator shall not modify, terminate, or rescind any selection decisions or awards made under the human landing system program that were announced prior to the date of enactment of this division.

(d) **AUTHORIZATION OF APPROPRIATIONS FOR PUBLIC-PRIVATE PARTNERSHIP.**—There is authorized to be appropriated \$7,522,000,000 to the Secretary of Health and Human Services—

(1) to establish a public-private partnership for the purpose of producing active pharmaceutical ingredients; and

(2) for the Biomedical Advanced Research Development Authority to provide grants to private entities for such purpose.

**SA 1622.** Ms. COLLINS (for herself, Ms. MURKOWSKI, and Mr. COONS) submitted an amendment intended to be proposed to amendment SA 1502 proposed by Mr. SCHUMER to the bill S. 1260, to establish a new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place in title V of division B, insert the following:

**SEC. 25 . IMPLEMENTATION OF ENERGY ACT OF 2020.**

Not later than 45 days after the date of enactment of this Act, the Secretary of Energy shall submit to Congress a report that describes a plan for implementing the programs authorized pursuant to the Energy Act of 2020 (Public Law 116-260) and amendments made by that Act.

**SA 1623.** Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill S. 1260, to establish a

new Directorate for Technology and Innovation in the National Science Foundation, to establish a regional technology hub program, to require a strategy and report on economic security, science, research, innovation, manufacturing, and job creation, to establish a critical supply chain resiliency program, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. . REVIEW BY COMMITTEE ON FOREIGN INVESTMENT IN THE UNITED STATES OF GREENFIELD INVESTMENTS BY PEOPLE'S REPUBLIC OF CHINA.**

(a) **INCLUSION IN DEFINITION OF COVERED TRANSACTION.**—Section 721(a)(4) of the Defense Production Act of 1950 (50 U.S.C. 4565(a)(4)) is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking “; and” and inserting a semicolon;

(B) in clause (ii), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(iii) any transaction described in subparagraph (B)(vi) proposed or pending on or after the date of the enactment of this clause.”; and

(2) in subparagraph (B), by adding at the end the following:

“(vi) An investment by a foreign person that—

“(I) involves—

“(aa) the completed or planned purchase or lease by, or a concession to, the foreign person of private or public real estate in the United States; and

“(bb) the establishment of a United States business to operate a factory or other facility on that real estate; and

“(II) could result in control, including through formal or informal arrangements to act in concert, of that United States business by—

“(aa) the Government of the People's Republic of China;

“(bb) a person owned or controlled by, or acting on behalf of, that Government;

“(cc) an entity in which that Government has, directly or indirectly, including through formal or informal arrangements to act in concert, a 5 percent or greater interest;

“(dd) an entity in which that Government has, directly or indirectly, the right or power to appoint, or approve the appointment of, any members of the board of directors, board of supervisors, or an equivalent governing body (including external directors and other individuals who perform the duties usually associated with such titles) or officers (including the president, senior vice president, executive vice president, and other individuals who perform duties normally associated with such titles) of any other entity that held, directly or indirectly, including through formal or informal arrangements to act in concert, a 5 percent or greater interest in the entity in the preceding 3 years; or

“(ee) an entity in which any members or officers described in item (dd) of any other entity holding, directly or indirectly, including through formal or informal arrangements to act in concert, a 5 percent or greater interest in the entity are members of the Chinese Communist Party or have been members of the Chinese Communist Party in the preceding 3 years.”.

(b) **DEFINITION OF GOVERNMENT OF PEOPLE'S REPUBLIC OF CHINA.**—Section 721(a) of the Defense Production Act of 1950 (50 U.S.C. 4565(a)) is amended—